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ESTABLISHED 1887

What Bush Needs to Win in November Even Skeptics Are Not Using Words Like 'Impossible'

By Paul F. Horvitz International Herald Tribune WASHINGTON — Technically, he is in very deep trouble. But beyond the who's-on-top polling numbers of the presidential campaign, there are opportunities for President George Bush.

the oft-quoted "horse race" polling numbers, which currently show Mr. Clinton with a 17- to 25-point advantage. Instead, Mr. Hart focuses on three barometers: the public's view of the economy, the nation's overall direction and of how well a president is handling his job.

Johnson in 1964 and Richard Nixon in 1972 had larger leads in the polls than Mr. Clinton does at this point in the campaign. "A turnaround for Bush is not likely, but it's possible," Mr. Huggick said.



George Bush trying out the microphone Thursday in the Astrodome at Houston before his acceptance speech. The president is trying to regain ground in the polls by following the Democrat Harry S. Truman's advice and taking his case to the American people.

Russia Urges New Accord With the IMF On Reforms

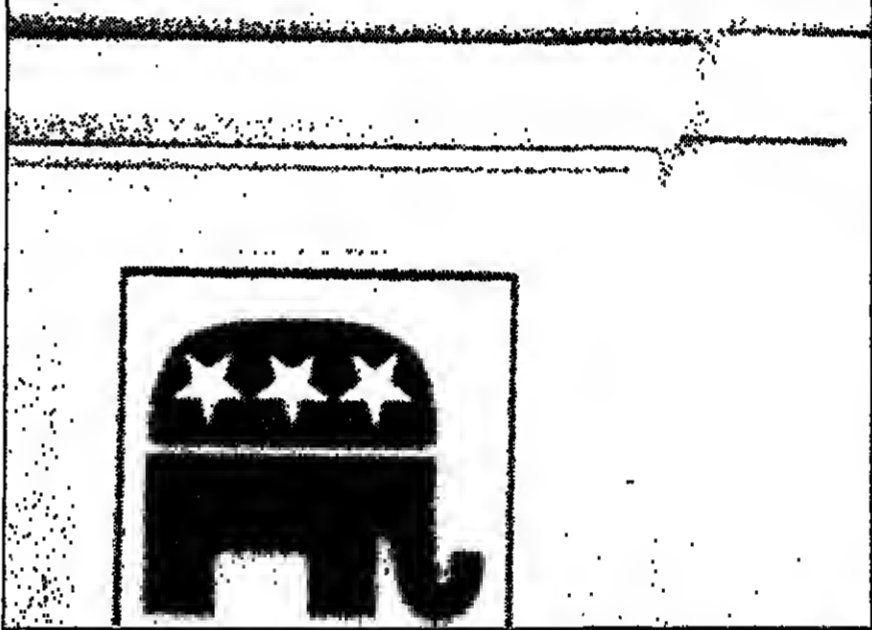
Head of Central Bank Says That Tight Money Is Danger to Industry By Michael Dobbs Washington Post Service MOSCOW — The head of the Russian Central Bank, saying he wanted to prevent destruction of the country's industrial base, called Thursday for renegotiation of key provisions of an economic reform plan reached with the International Monetary Fund.

Help From an Old (Democratic) Hand

By R.W. Apple Jr. New York Times Service HOUSTON — Harry S. Truman, the president at the beginning of the Cold War, has become the patron saint of George Bush, the president at its ending.

A. Rowe Jr. and Clark Clifford, on which Mr. Truman based his campaign. Then the president got a copy of David McCullough's monumental new biography, "Truman," read the first 60 pages, jumped to page 653 and devoured the chapter on the 1948 campaign.

also had trouble giving a good speech, and also was written off as a loser by a lot of politicians and a lot of reporters. Then he won. If the Republican campaign bears any resemblance to the Republican convention, and party leaders say it will, it will be a lot more personal and a lot more caustic than anything that the voters of 1948 heard.



George Bush trying out the microphone Thursday in the Astrodome at Houston before his acceptance speech. The president is trying to regain ground in the polls by following the Democrat Harry S. Truman's advice and taking his case to the American people.

Risk for Allies: Help the Shiites But Divide Iraq

By Caryle Murphy Washington Post Service MANAMA, Bahrain — The U.S.-led move to ban Iraqi aircraft from flying over Shiite areas in the south is a significant shift in Western strategy aimed at undermining President Saddam Hussein.

Germany May Face a Recession, Key Advisers Warn

Reuters BONN — One of the German government's top economic advisers and the leader of one of Chancellor Helmut Kohl's coalition parties warned Thursday that the country could face recession.

Mr. Hax said in a separate radio interview that "the recovery we had hoped for in the second half" would apparently not occur to the extent that had been hoped.

Immersion, by Computer, In Stock Market 'Reality'

By Mark Potts Washington Post Service It appears to be a landscape made up of blue and red squares, with rolling hills undulating slightly as if rippling in a breeze. The lone inhabitant of this odd, computer-created vista maneuvers among the squares, as if in flight, by caressing a palm-sized ball and pointing at squares with a wand.

actually exist only as computer graphics. In the stock-market version, each colored square represents a stock, its price and activity determining its position and color, each changing as the market changes. The blue squares signify rising stocks, the reds losers.

Kiosk Sarajevo Is Pounded SARAJEVO, Bosnia-Herzegovina (Reuters) — Heavy mortar and grenade attacks rocked the center of Sarajevo late Thursday in the heaviest sustained bombardment in a month, witnesses said.

Table with financial data including Dow Jones (Down 2.17), Trib Index (Up 0.93%), and The Dollar (New York, 1.4475, 1.4535).

Woody Allen, From the Screen to the Dark Corners of the Soul

By Charles Trueheart Washington Post Service WASHINGTON — Americans have grown accustomed to being let in on the sexual secrets of public men and even more fascinated — and indignant. But even by today's depleted standards, Woody Allen is a special case.

really, but still: "It's incestuous even if it's not incest," says Richard Zweigenhaft, psychology professor at Guilford College. It's the oldest taboo — and it involves an intellectual and cultural hero (or anti-hero) to many.



A mourner paying tribute Thursday with flowers and a flag at the Moscow site where three men died resisting the '91 coup attempt.

Shield for Shiites As 'First Step' in Plan to Get Saddam

By John Lancaster
Washington Post Service
WASHINGTON — For the moment, the American, British and French coalition partners have not agreed to anything more than a plan to forbid Iraqi military flights in the southern third of the country, by shooting down intruding planes and helicopters if necessary.

The ban to aid the largely Shiite Muslims in the south goes well short of the protection granted to Iraq's Kurdish minority north of the 36th parallel. All Iraqi military activity is, in effect, prohibited there, and the United States has led a vast effort to deliver and distribute food and medicine.

Several American and allied sources said, however, that if Iraq continued to pound the Shiites using ground forces, the allies could take more forceful measures, including air strikes against tanks, troops and artillery positions.

"You'll see them ratcheting it up as time goes by," said a well-placed allied official.

Pentagon and allied officials describe the plan as a "first step" in a renewed effort to undermine the Saddam Hussein government, but say they do not expect the Iraqis to resist the move.

Some Arab countries have expressed concern that by siding with the Shiites, the allies could contribute to an ethnic breakup of Iraq and the creation of a new radical Islamic Shiite state.

Administration officials, who describe the planned missions by allied planes over southern Iraq as "monitoring" flights, said the main emphasis for now was on gathering intelligence and not on touching off a new round of fighting with the Iraqis.

"It's the first step, but we may not have to take any other steps," said a U.S. official.

The national security adviser, Brent Scowcroft, said Washington had agreed with Britain and France on the plan. "It's been solidified," he said on public television.

"There is increasing evidence that he is pursuing genocidal policies in the south," Mr. Scowcroft said. "What we're saying is that we're going to monitor and watch what he's doing there. And in order to do that with reconnaissance, he has to stop flying."

Intelligence reports show that Iraq has about 70 combat aircraft in the south and is using helicopters to hunt Shiite rebels in the region's marshlands. American officials predicted that Iraq would not challenge the flight ban, which they said in and of itself might cripple the campaign against the Shiites.

"The monitoring may in itself cause him to back off," an official said. "For one thing, his ground forces are not like what they used to be and, except for the Republican Guard, the morale is pretty terrible. It's not a sure thing these guys could take on the people in the marshes or would even want to without air cover."

King Fahd of Saudi Arabia agreed to the use of air bases in his country to support the flight ban when Secretary of State James A. Baker 3d made the request during his last trip to the region in late July, according to a source familiar with the negotiations.

The administration official said the flying ban would be enforced using AWACS electronic surveillance aircraft based in Saudi Arabia and escorted by U.S. fighter aircraft, including air force F-15 strike planes and navy F-14s and FA-18s.

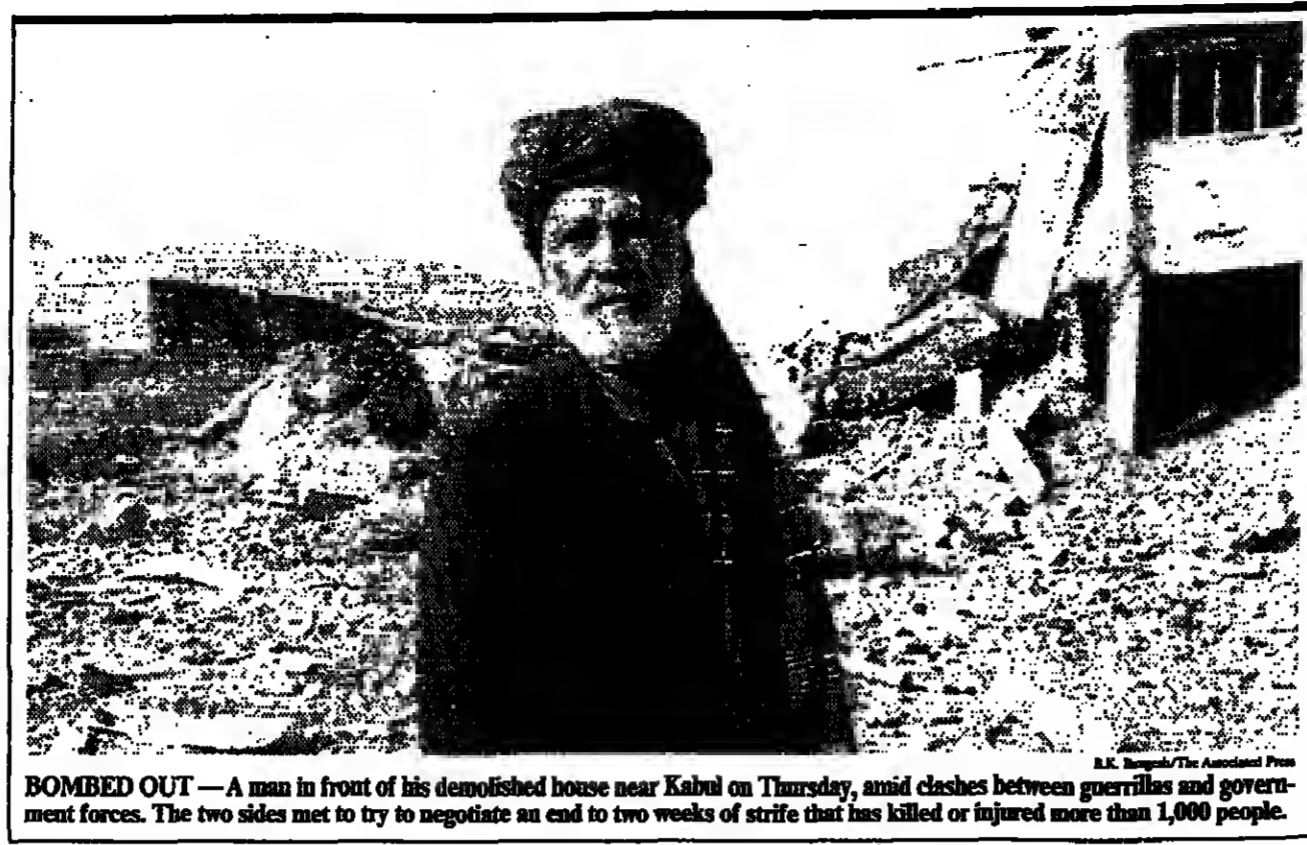
The official said, however, that the main emphasis would be on "reconnaissance," adding, "I wouldn't say there would be constant stuff in the air."

The official said that Britain has offered to contribute six Tornado fighters and two tankers to a multinational group enforcing the ban.

The Bush administration was reluctant to aid the Shiites during their rebellion in the immediate aftermath of the Gulf War, citing fears of further destabilizing the region.

Mr. Scowcroft said Wednesday that avoiding the breakup of Iraq "has all along been a concern of ours," adding that the administration continued to "believe in the territorial integrity of Iraq."

"What we're trying to do is protect minority groups," Mr. Scowcroft said.



BOMBED OUT — A man in front of his demolished house near Kabul on Thursday, amid clashes between guerrillas and government forces. The two sides met to try to negotiate an end to two weeks of strife that has killed or injured more than 1,000 people.

Iraq to 'Resist' Allied Shield

Saddam Scorns 'Imperialist Design' to Protect the South

Compiled by Our Staff From Dispatches
LONDON — Iraq said Thursday that it would "resist with all means" any plan to impose a ban on Iraqi aircraft flying over its southern territory.

A statement issued after a joint meeting of the Revolution Command Council and the regional leadership of the Arab Ba'ath Socialist Party, presided over by President Saddam Hussein, said the Iraqi people and leadership "would not allow the Zionist-imperialist design to pass" and added that "they would resist it with all means."

The statement was reported by INA, the Iraqi press agency, and monitored by the BBC.

It was the first official reaction to the Gulf War victors' plan to protect Shiite insurgents in the southern marshlands. The statement was issued after Mr. Saddam and his ruling Revolution Command Council met Thursday in Baghdad to review political developments, particularly the "imperialist threats," the agency said.

Earlier, senior officials in London said Britain expected the Western allies to impose a "no-fly zone" over southern Iraq within days.

The UN is also demanding that several charitable organizations receive visas for staff members to enter and operate in Iraq.

"We have made progress, some progress, but we are not at the stage where we can conclude the negotiations," Mr. Elison, who is acting as coordinator of relief efforts for the UN as special envoy of Secretary-General Butros Butros Ghali, told reporters in Baghdad on Thursday.

PERILS: Dividing Iraq

(Continued from page 1)

Creation of the zone now could raise tensions markedly during the U.S. presidential election campaign.

The new strategy comes after more than a year of waiting for Iraq's Sunnis in Baghdad to dislodge Mr. Saddam through a military coup. Most Iraqis, citing the regime's vast security system, have said that this was a futile hope unless there was outside help.

In this context, the zone appears to be the first step toward proffering that help. At a minimum, it will demonstrate an erosion of Mr. Saddam's control over southern Iraq. It may also embolden Shiite rebels to step up attacks against his military in the south, who will be stripped of their air defense.

"It's a big step forward," said an allied Iraq dissident. "As an effort to destabilize President Saddam, he said, 'a no-fly zone' is much better than bombing Baghdad."

Regional powers, however, are not likely to be as enthusiastic about this turning point in intervention in Iraq. Other Arabs revere the way of Iraqi Shiite political aspirations, fearing that they would be influenced by the fundamentalists of Iran and Turkey, which has many Kurds, some of whom are waging an insurgency, probably would have reservations about a Western policy of protecting a besieged minority.

There are also concerns that fragmentation of the country could cause the Sunni-dominated military to intensify its support of Mr. Saddam, prolonging his power.

Unlike the situation in the Kurdish-populated region of northern Iraq, where a no-fly zone has been in effect for more than a year, Iraqi ground forces will remain in southern areas where flights are to be banned.

WORLD BRIEFS

De Klerk Will Convene Supporters

PRETORIA (WP) — President Frederik W. de Klerk said Thursday that he would call a conference next month of political groups subscribing to the "same basic, fundamental constitutional principles" as the white government.

Shoot Looters, Shevardnadze Orders

TBILISI, Georgia (AP) — The State Council ordered the Georgian Army on Thursday to pull out of Sukhumi, the capital of rebellious Abkhazia, but its soldiers were replaced by Interior Ministry troops with orders to shoot looters on the spot.

50 Killed in Kyrgyzstan Quake

MOSCOW (Reuters) — About 50 people have been killed in an earthquake near Kyrgyzstan's border with China, and rescue workers have not yet reached the hardest-hit part of the region, Itar-Tass news agency said Thursday.

King Hussein Has Kidney Removed

ROCHESTER, Minnesota (Reuters) — Doctors at the Mayo Clinic on Thursday removed the left kidney of King Hussein of Jordan and cleared a blockage of his urinary tract, a hospital spokesman said. Tests were subsequently conducted on tissue removed from his ureter, the tube that carries urine from the kidney to the bladder. The nature and results of the tests were undisclosed.

Ruling Party Defeated in Bahamas

NASSAU, Bahamas (UPI) — Voters here ousted the party of the prime minister, Sir Lynden Pindling, in parliamentary elections, ending a 25-year rule that began before the island chain won independence from Britain, officials said Thursday.

Travel Update

Five London railroad stations were closed by police on Thursday after a coded bomb warning, causing chaos for commuters in the evening rush-hour. Stations affected were King's Cross, Charing Cross, Victoria, St. Pancras and London Bridge. The Underground system was also hit.

The Weather

Forecast for Saturday through Monday

Region	Today	Tomorrow
North America	Partly cloudy with rain in the north. High 65, low 45.	Partly cloudy with rain in the north. High 70, low 50.
Europe	Partly cloudy with rain in the north. High 60, low 40.	Partly cloudy with rain in the north. High 65, low 45.
Asia	Partly cloudy with rain in the north. High 75, low 55.	Partly cloudy with rain in the north. High 80, low 60.
Africa	Partly cloudy with rain in the north. High 70, low 50.	Partly cloudy with rain in the north. High 75, low 55.
Latin America	Partly cloudy with rain in the north. High 70, low 50.	Partly cloudy with rain in the north. High 75, low 55.
Middle East	Partly cloudy with rain in the north. High 70, low 50.	Partly cloudy with rain in the north. High 75, low 55.
Oceania	Partly cloudy with rain in the north. High 70, low 50.	Partly cloudy with rain in the north. High 75, low 55.

Seoul Denies Report That It Will Recognize China

By T. R. Reid
Washington Post Service
TOKYO — The South Korean Foreign Ministry denied reports Thursday that Seoul and Beijing were about to establish full diplomatic relations.

The Chinese government did not comment on the reports.

China and South Korea have been political adversaries since the end of World War II. And bitter feelings still linger from the Korean War, when the Chinese Army fought against the South on behalf of North Korea.

Diplomatic relations between Seoul and Beijing would further isolate the North Korean government in Pyongyang, which counts South Korea as its worst enemy and China as its best friend.

The North Koreans were stunned two years ago when the Soviet Union, another patron of Pyongyang, began recognizing the Beijing regime as the government of China.

But trade relations have been growing in recent years.

Reports of a Seoul-Beijing normalization first appeared in Taiwan, where members of parliament reportedly told the press that the Taiwanese government had received notification from South Korea of the step.

Similar reports appeared in Tokyo and Seoul, all citing unnamed "official sources."

But South Korea's Foreign Ministry issued a statement saying the reports were "contrary to the facts."

The ministry also denied news reports that South Korea's foreign minister would go to Beijing next week to work out the details of normalization.

John Chang, deputy foreign minister of Taiwan, said, "It is incredible that South Korea would have denied that it had reached a draft agreement with the Chinese Communists to recognize Beijing."

IMF: Russian Assails Money Policy

(Continued from page 1)

In an article Wednesday in the Moscow paper Izvestia, Mr. Gaidar insisted that the economic transformation remained on track. He said the government would be forced to make certain "concessions" to avoid social unrest, but he insisted that they be kept to a minimum.

Shortly after his appointment as head of the Central Bank last month, Mr. Geraschenko formally endorsed the Russian government's letter of intent to the IMF, which had been negotiated by Mr. Gaidar and Mr. Masyskalin.

Questioned about this Thursday, he said he had not had time to analyze all the documents.

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CAMPAIGN '92 / 'FIGHT OF OUR LIFE'

ELECTION NOTES

On ABC News, Clinton Scores Clear Victory

WASHINGTON — The Center for Media and Public Affairs has zeroed in on "ABC World News Tonight With Peter Jennings" for a comparison of how the No. 1 evening news show evaluated the candidates during coverage of the national conventions.

Just a Simple Song, Not a Policy Statement

HOUSTON — "Hail to the Chief" it wasn't. When President George Bush took the podium at the Republican National Convention, the song that filled the Astrodome was "The Best of Times," from the hit Broadway musical "La Cage aux Folles."

Brave, Yes, but a Fighter Pilot, No

HOUSTON — Nominating conventions, it is said, are moments for a candidate to make history. They can also be moments for rewriting history, in this case military history.



Texas celebrating after their state put George Bush over the top on Thursday in the delegate count for the nomination.

Housewife? Make That Mrs. Bush, the Author

HOUSTON — Attention must be paid. Barbara Bush, giving assembly-line interviews to local television stations, had finally had enough of her stereotype as the custodian of maternal, stay-at-home family values.

Quote-Unquote

The evangelist Pat Robertson, addressing the convention: "The Cold War is over — and we won! But ladies and gentlemen, a more benign but equally insidious plague has fastened itself upon the families of America. The carrier of this plague is the Democrat party."

Away From the Hustings

- U.S. prosecutors in Cincinnati denied withholding information from a U.S. court that indicated John Demjanjuk was not a Nazi death camp leader.
- As many as 14,000 people were ordered evacuated from homes in Northern California as a fire spread across more than 12,500 acres (5,000 hectares) of rugged terrain.



SIGN OF THE TIMES — Barbara Bush giving the victory sign as she and the president arrived for a luncheon at the George R. Brown Convention Center during the Republican convention in Houston.

Squaring Off on Gay Rights

Republican Assaults Remake Issue as Campaign 'Wedge'

By Jeffrey Schmalz

HOUSTON — Homosexual issues, which for months were dismissed with winks and nods by Republicans as they talked of family values, have flared into the open at the party's national convention here and on the streets outside the Astrodome.

Beginning with a speech by Patrick J. Buchanan and continuing with remarks by others during the week, the party demonstrated that it would make its opposition to homosexual rights a major issue in the campaign, portraying Bill Clinton and the Democrats as wanting to give preferential treatment to gay men and women.

The Republican comments — coming after a strong endorsement of gay rights by Mr. Clinton during the primaries and by Democrats at their convention last month — means that for the first time presidential candidates are engaging in open debate over sharply different views on gay rights and AIDS.

This year, unlike four years ago, representatives of gay-rights groups were not permitted to speak before the Republican platform committee. And unlike four years ago, the 1992 platform includes a passage referring to homosexuals: "We oppose efforts by the Democratic Party to include sexual preference as a protected minority receiving preferential status under civil rights statutes at the federal, state and local level."

POLLS: Some Make-or-Break Opportunities

Mr. Hart's view, it is that "Clinton's numbers are bobbing up and down." There are a lot of people who had very little use for him three months ago, Mr. Hart notes.

In her view, the most important benchmarks of the fall campaign will be the polls taken just after Labor Day on Sept. 7, in the week after the first debate on Sept. 22, and just after baseball's World Series games of late October.

James Campbell, a political scientist at Louisiana State University, is among several experts who have devised mathematical models to forecast presidential election results.

His model measures the Gallup Poll head-to-head numbers in early September and the growth in gross national product in the second quarter of an election year. Going back to 1948, the model accurately predicts the election percentages within one point, plus or minus.

TRUMAN: Bush Takes Some Tips From an Old Hand

Torrents of words have flowed to celebrate Mr. Bush as navy pilot, Mr. Bush as devoted family man, Mr. Bush as Texan, Mr. Bush as capitalist, Mr. Bush as liberator of Kuwait and Mr. Bush as the victor of the Cold War.

Women Spearhead the Attack In Family Day at Astrodome

By David S. Broder and Ruth Marcus

HOUSTON — The Republican National Convention launched National Family Day on Thursday when George Bush introduced what he called "the fight of our life" against an opponent described from the rostrum as a man not to be trusted with the power of the presidency.

Marilyn Quayle, wife of the vice president, and Secretary of Labor Lynn M. Martin, who nominated the president for a second term, suggested that Governor Bill Clinton, the Democratic nominee, is a man who "dodged the draft" in the Vietnam War and might "run from his responsibilities" if elected.

In between these stinging attacks Wednesday night, Barbara Bush endorsed "the strongest, the most decent, the most caring, the wisest, yes, and the healthiest man I know." Her husband the president, she said, values more than any of his political accomplishments the simple fact that "his children still come home."

After her 14-year-old grandson, George P. Bush, described his grandfather as "the greatest man I've ever known" and proclaimed, "Viva Bush!," Mrs. Bush returned with her own encomium: "Tonight, you will nominate George Bush to lead our nation into its future. With all my heart, I say — and I know him best — you have made a superb choice."

Mr. Bush then made a brief appearance with his wife on the Astrodome podium, joining his five children and 12 grandchildren.

Mr. Bush's acceptance speech was being described by his strategists as the most important step in overcoming a Clinton lead that is 25 percentage points in the latest Washington Post-ABC News poll, concluded Tuesday.

As a prelude to that speech, Lynn Martin and Marilyn Quayle did their best to seed doubts about Mr. Clinton's fitness for the White House. "You can't be one kind of man and another kind of president," Mrs. Martin said, setting up a character contrast with the man — "decent," "honest," and "modest" — now in the Oval Office.

Speaking as a member of the same baby-boomer generation as Mr. Clinton, Mrs. Quayle clearly had the 45-year-old Arkansas governor in mind when she declared, "Not everyone demonstrated, dropped out, took drugs, joined in the sexual revolution or dodged the draft." Mr. Clinton has acknowledged trying marijuana while a graduate student in England and encountered criticism during the Democratic primaries for his tactics in staying out of the military during the Vietnam War.

In her nominating speech, Mrs. Martin said Mr. Bush had "the heart of an 18-year-old fighter pilot who risked his life for his country, who did not run from his responsibilities and does not now."

By contrast, she said, Mr. Clinton and his running mate, Senator Al Gore, are "the latest in the long line of whimpering naysayers."

She said that Mr. Clinton and Mr. Gore "want you to abandon that strength and steadfast purpose for the gross politics of fear and the false promise of change."

Clinton Hits At Critics Of His Wife

LITTLE ROCK, Arkansas — Governor Bill Clinton on Thursday called Republican criticism of his wife "absolutely dishonest" and said that in making her a target, President George Bush "acts like he's running against Hillary."

"They're not even close to being right, and they know it," the Democratic nominee said on NBC's "Today" show. "They don't care if they're telling the truth or not."

Critics of Mrs. Clinton at the convention have ranged from a conservative columnist, Patrick Buchanan, to a religious broadcaster, Pat Robertson. Earlier, Vice President Dan Quayle said the Republican national chairman, Richard N. Bond, said that her legal writings compared marriage and the family to slavery.

Democrats say those assertions distort the views of Mrs. Clinton, a Yale law school graduate and corporate lawyer in Little Rock with a long-standing interest in legal protection for children.

As he prepared for a campaign trip to Michigan, Mr. Clinton also said he was glad Secretary of Labor Lynn M. Martin asked the Republican National Convention on Wednesday the question that Ronald Reagan made a 1980 campaign theme: "Are you better off than you were four years ago?"

"I'm glad she asked that question," Mr. Clinton said. "If they want to stay with the test, then they have to lose the election. America is not better off."

"despair, desolation and darkness," Mrs. Martin said, Mr. Bush, if re-elected, will lead "a new revolution for the future of our country."

The toughly worded speeches, preceding the roll call that made Mr. Bush the party's official nominee, also included a warning by the television evangelist Pat Robertson that Mr. Clinton and his wife, Hillary, were promoting "a radical plan to destroy the traditional family and transfer its functions to the federal government."

In another address, Governor John Ashcroft of Missouri said: "The Bill Clinton agenda for families is clear. The traditional family turns into any two people with the same address, and Chief Justice Cuomo will make sure the family beach goes topless."

Mr. Clinton has said that Governor Martin M. Cuomo of New York would make a good Supreme Court justice.

The rhetorical attacks preceded the formalities of nominating Mr. Bush and Dan Quayle for their second terms — a procedure the Republicans pushed back well past TV viewing time in the eastern half of the country.

In the presidential roll call vote, that was completed early Thursday, Mr. Bush received 2,166 votes and Patrick Buchanan 18.

Perhaps the most emotional moment of the night came when Mary D. Fisher, a member of a prominent Michigan Republican family and who has the HIV virus that causes AIDS, pleaded with the delegates to recognize the danger of the disease and embrace its victims.

"We do the president's cause no good if we praise the American family but ignore a virus that destroys it," she said.

A midday appearance by Mr. Bush and Mr. Quayle at a fundraising gala was briefly disrupted by AIDS protesters, but Mr. Bush did not let them throw him off stride. In his pep talk to the contributors, Mr. Bush said he looked forward to the fight with Mr. Clinton.

"I can feel it," he said. "I can feel it building in my blood." The Post poll, completed Tuesday night, showed some firming of support for both candidates, but no reduction in Mr. Clinton's lead. The survey, taken Aug. 14-18, encompassed the week in which Mr. Bush announced that James A. Baker 3d would leave the State Department to become chief of staff and included the first two days of the convention.

But Mr. Clinton held a 57-40-32 percent lead over Mr. Bush among registered voters, essentially unchanged from the margins he has enjoyed since the Democratic convention last month.

It was family night at the Astrodome, using a first lady whose popularity far outstrips her husband's to highlight the theme of traditional values Republicans hope will boost their campaign. She and Mr. Quayle saluted women who focus their energies on family and community service and lauded the importance of family values.

But at a visit to a children's hospital, Barbara Bush bristled at the suggestion she was needed to bolster her husband's chances. "I don't have to pull it out for my husband," she said.

Quayle's Council Is Accused Of Aiding Special Interests

The Associated Press

WASHINGTON — Three major U.S. health organizations say a council headed by Vice President Dan Quayle is using its powers to "reshape, rewrite or eliminate" federal regulations on behalf of special interests that want to circumvent open governmental processes.

The American Heart Association, the American Cancer Association and the American Lung Association charged in a July 31 letter to President George Bush that Mr. Quayle's Competitiveness Council "wields tremendous political and regulatory powers" and does so completely out of the public eye. The letter was made available Thursday.

The council reviews regulations on air pollution, food labeling, access for the disabled and other issues, ordering changes if it finds the regulations would unnecessarily burden individuals and small businesses.

Responding to the charges, a presidential aide said: "The question is not whether to have regulation but whether the benefits of health, environmental and safety regulations are delivered to the American people in the most efficient, effective manner."

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

A New World for Bush

The single most important event in George Bush's erratic re-election campaign...

Of all the questions about Mr. Bush, one dominates: What is he for? At the last convention...

This week Mr. Bush's task is far more daunting: to convince the electorate that he has a clear idea of how to cure America's domestic ills...

The same dedication, he said, had produced other stunning successes: assembling an "unprecedented" coalition...

Cut Off the Khmer Rouge

The stakes in Cambodia could scarcely be higher. The United Nations' most ambitious peace-building effort ever is challenged by a resurgent Pol Pot...

Fortunately, there is a practical solution. The international community has a chance to cut off the Khmer Rouge from its main sources of arms and money in Thailand...

Thailand and Vietnam have been the twin nexuses of Cambodian history, nibbling at Cambodian sovereignty and territory at every opportunity...

The main Khmer Rouge zone lies in western Cambodia. Its eastern border is patrolled by the United Nations but a western back door is kept open by Thai commanders...

Gloom in Computer Land

American automobile companies lost a lot of money and a lot of customers in the 1970s and '80s because they were slow to react to their changing market...

It is a melancholy moment for a company that was a phenomenal success until a decade ago and has made important contributions to office automation...

When John F. Akers, the chairman of IBM, reported its tremendous losses last spring, he called 1991 "the most difficult year in the history of the computer industry..."

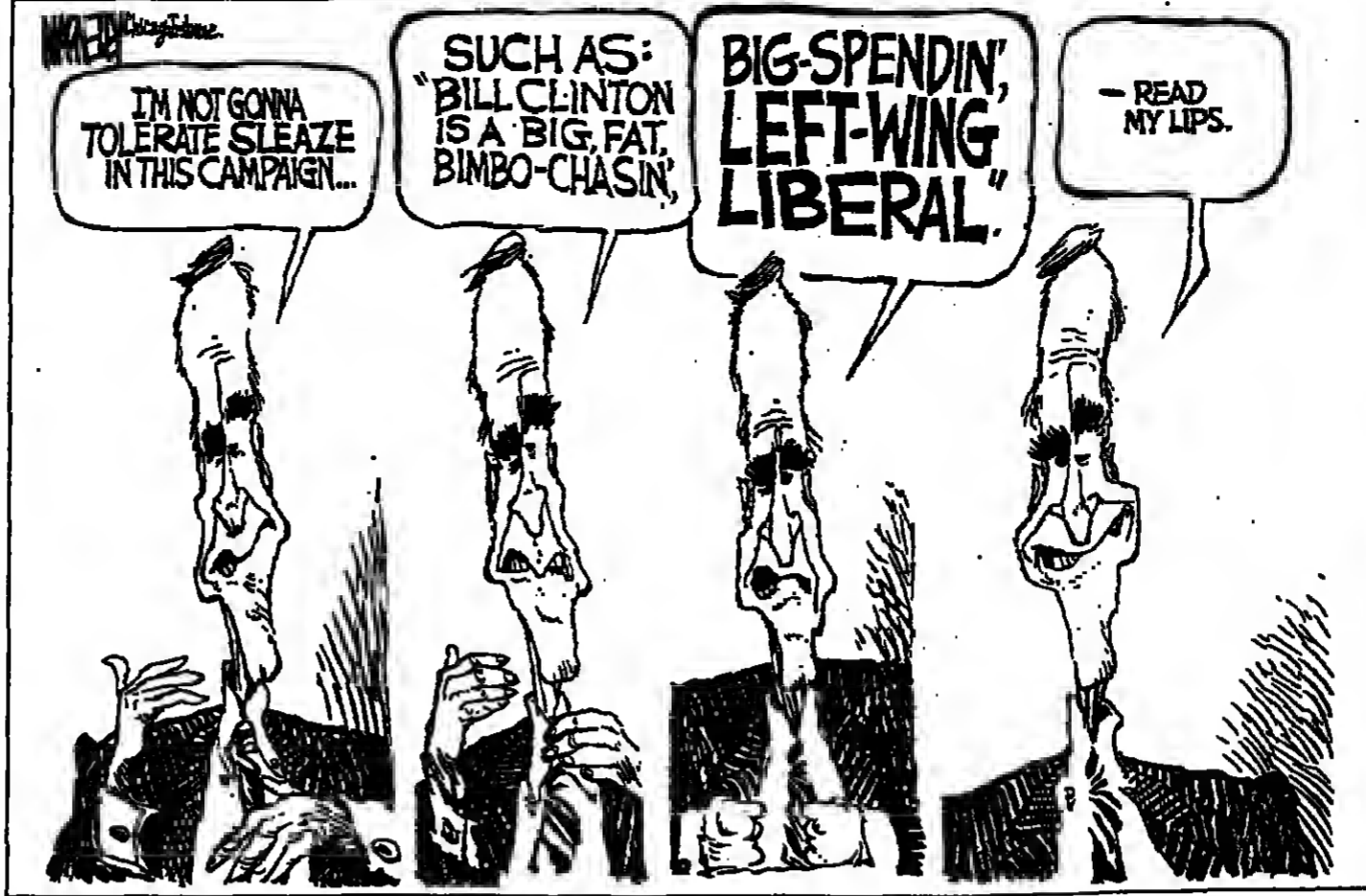
the Israelis to reason together. For all these achievements and more, Mr. Bush is surely entitled to credit...

Here again, one can find a coherent message in Mr. Baker's text. Having taken huge strides toward a new world order...

Mr. Baker spoke of fundamental needs like economic security, education and job training, and in language like Bill Clinton's, of America's historic openness...

Mr. Baker's ringing assertion that the moment had come to convert triumph abroad into progress at home defines the president's task...

THE NEW YORK TIMES



Cold War: The Victory Credits Should Be Shared

By Leslie H. Golb

NEW YORK — Claims by the Republicans this week that they won the Cold War prompt me to reveal an off-the-record conversation I had with the chief of the Soviet General Staff in 1983...

The quality of U.S. arms for a generation or two. Modern military power is based on technology, and technology is based on computers...

Several years later, his volcanic logic was to be resurrected publicly by Mikhail Gorbachev as he launched perestroika and glasnost...

did. Many Democrats hesitated about to Angolan rebels because they seemed as bad as their Communist opponents...

The Reagan military buildup, backed by a minority of Democrats, certainly added to Soviet economic woes and probably speeded up communism's demise...

Thus Republicans in Houston still seem more interested in praising themselves indulgently for slaying an already dying Red Dragon than in preparing to restore an America they virtually ignored for 12 years...

The New York Times

Consensus on Foreign Policy Is Needed Again Now

By William E. Odom

WASHINGTON — Who won the Cold War? Who were its heroes and its slayers? Half-truths may confuse you if the presidential election debate turns to foreign policy...

ous empire." They argued that the collapse of the Soviet Union was wholly due to internal factors, sometimes even adding that U.S. military policy prevented its earlier demise...

largest reduction in defense spending in the postwar period — 38 percent between 1968 and 1976. The much abused Jimmy Carter began the defense buildup that President Reagan was to claim entirely as his own...

Democrats is their view that U.S. military power figured little in the fading of communism. Many Russians, including generals, assert the contrary...

Fortunately, other Democrats, particularly leading figures on the armed services and intelligence committees of Congress, understand that military power does count...

But just as an allergy to military power will not allow a president to lead in building a New World Order, neither will an affinity for military power alone...

The post-Cold War challenge demands at least a modicum of bipartisanship. Half-truths about who won the Cold War will not forge the necessary consensus...

Those were days when honor and prestige attached to the service of American government. Today, after two decades during which candidates and parties have campaigned against Washington and against the government...

Mr. Bush has made a foreign policy mistake in the past in terms of electoral advantage, and he is doing so now with respect both to Yugoslavia and to Iraq...

International Herald Tribune
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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Choice for Caprivi

PARIS — Emperor William's public repudiation of the proposal to reduce the term of military service from three to two years places before the Chancellor, Count von Caprivi, the alternative of resigning or eating his words...

1917: Thank the Pope
PARIS — The Herald says in an editorial: Why criticize the Pope? The Allies ought to burn a candle for him...

1942: Battle of Dieppe
WITH THE CANADIAN RAIDING FORCE RETURNING FROM DIEPPE — [From our New York edition:] Ross Murray reports: For eight hours under intense Nazi fire...

shall have been shattered, refused even to discuss the proposal. The Germans, on the contrary, while protesting, are so broken in spirit that they are trembling with eagerness to open the discussion...

It was a political decision on the part of Russia is awaited for the resolution of the issue. To seek a court judgment would be tantamount to further postponing its resolution.

A Leftover Task for Japan and Russia

By Masamichi Hanabusa

The writer is spokesman for the Japanese Ministry of Foreign Affairs.

TOKYO — What Japan refers to as the Northern Territories — Etorofu, Kunashiri, Shikotan, and the Habomais — are inherent Japanese territory long developed and governed by Japanese...

legal effect in transferring territories. Moving ahead to the Allied-Japan Peace Treaty of 1951, the position of the government of Japan is that the "Kurile Islands" mentioned in San Francisco by Japan did not include Etorofu, Kunashiri, Shikotan and the Habomais...

tion. This territorial issue is a very basic one affecting vital national interests, and Japan was firm throughout the negotiations in insisting upon the return of all four islands...

Today, 47 years after the end of World War II, there is as yet no peace treaty between Japan and Russia. Why? Because of Stalinist expansionism that flouted the basic principle of not seeking territorial gain...

The Yalta agreement was reached in secret by Roosevelt, Churchill and Stalin. Japan did not even know of its existence at the time it surrendered in August 1945...

Moreover, the Yalta agreement — as is clear from the text of the agreement and the American interpretation of it — was simply a statement of common purposes and not of any

legal effect in transferring territories. Moving ahead to the Allied-Japan Peace Treaty of 1951, the position of the government of Japan is that the "Kurile Islands" mentioned in San Francisco by Japan did not include Etorofu, Kunashiri, Shikotan and the Habomais...

Gregory Clark (IHT, Opinion, July 18) writes that "in the final round of the 1956 talks (with the Soviet Union), the Japanese side accepted the weakness of its claim to Etorofu and Kunashiri and agreed to settle for return of Shikotan and the Habomais, in exchange for a peace treaty."

At the time of the 1956 normalization negotiations, the United States offered advice to Japan on how best to advance its negotiating position, and recently declassified U.S. documents provided ample evidence of U.S. support for the Japanese position.

International Herald Tribune

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R I 1 To all men an sp ce — I Kr B a s a l n d f c t s

GENERAL NE aine UN S ed in Sara

Bush's Paramount Problem President George Bush has a difficult task at the Republican National Convention in Houston...

Other Comment This economy popping again. Nor is dissecting the recent interviews and speeches of Barbara Bush going to shed any light on the economic issues facing the nation...

INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairman

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L E I S U R E

Chamaleon Changes Hue of Berlin Nightlife

By Ian Johnson

BERLIN — As this city's official culture scene screams under the budget-cutter's knife, one small animal is looking on and laughing.

In a crumbling eastern Berlin district known more for its streetwalkers than theaters, the Variété Chamaleon has become an improbable post-unification success. It features witty parodies of slick revues and is leading the revitalization of Berlin's old theater and cabaret district of the 1920s.

And all this without east-west squabbles, grants or sponsors.

"We don't have anything against sponsors. But for now we haven't had any good offers that wouldn't compromise us. So we're just making do without," said Jan Wesemann, the Chamaleon's managing director.

The Chamaleon's success is unusual in today's gripping Germany: Enthusiastic Wests and Ostis have volunteered hundreds of hours to rebuild the theater's rented rooms in an old factory complex, while artists have accepted low wages for a chance to work in an unusually spontaneous east-west atmosphere. Since opening last year, the Chamaleon has put together three shows that entertain by lampooning the horrid variety and musical shows that seem to plague big cities.

The shows last about two hours and have featured singing, belly dancing, poetry, slapstick, acrobatics, an excellent band and the ubiquitous continuity man. But unlike the standard greasy showmasters, the Chamaleon's between-act commentator is a bedraggled intellectual trying to turn each act into a statement on life.

"Who indeed can know what lies under the surface? Indeed what is underneath all that we see? To look further I present the striptease!" host Marcus Jeroch said in his whimsical rhyme.

The striptease was, of course, no erotic interlude but a satire on the breasts and bottoms number that so many revues feature. The performer was invisible on the dark stage but for a few fluorescent-colored items, such as lingerie and a glowing clown mask. After a strip that seemed to defy human anatomy, the number ended with the lights going up to reveal the voluptuous object of the audience's desire: a fully clothed man with daisy-like eyes.

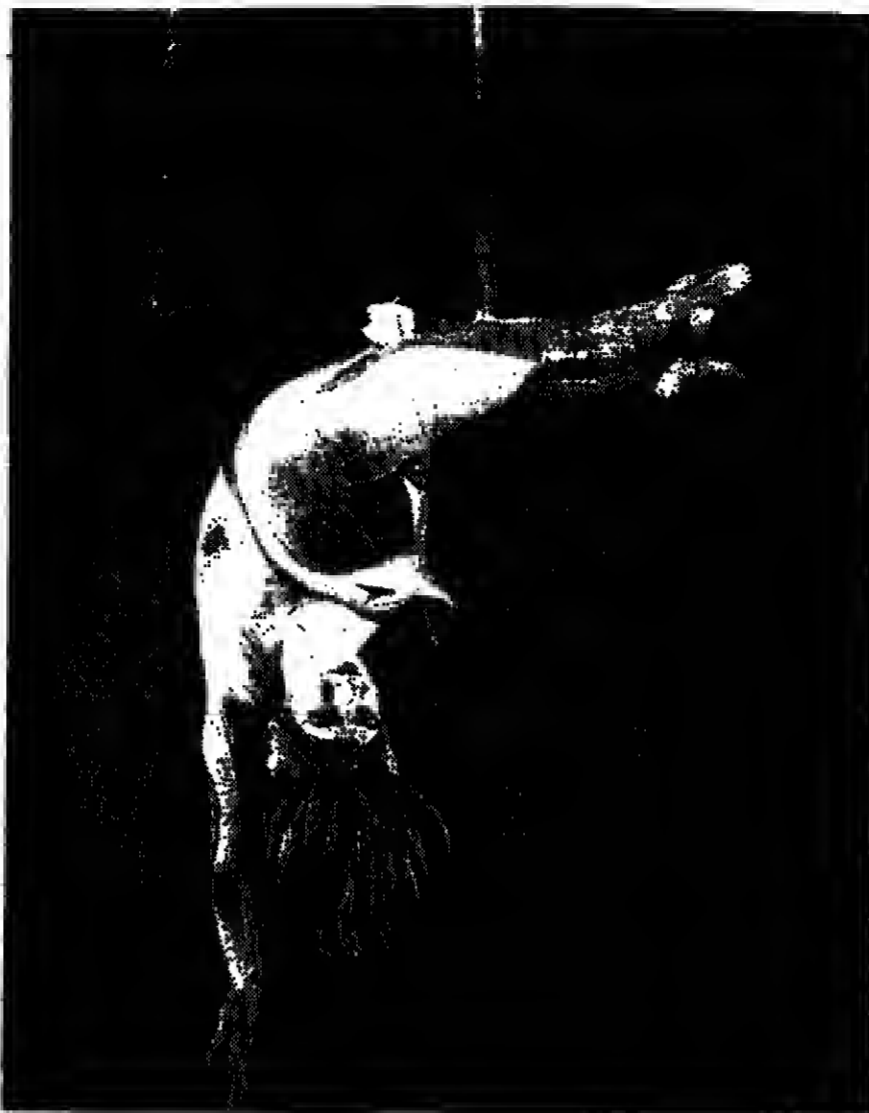
While some of the acts were complete flops — an imaginary ping-pong game between a clown and a member of the audience and a few too-serious acrobatic numbers — the numbers generally succeed in entertaining and involving the audience.

BESIDES fighting what technical director Andreas Dicker calls "television-induced passivity" in the audience, the theater also tries to attract as diverse an audience as possible. Unlike Berlin's big theaters and revues, which in the east and west have become bastions of the western tour-bus and BMW sets, the Chamaleon attracts an amazingly wide group of people. With an entrance fee of 22 Deutsche marks (about \$15), half the ordinary ticket for a revue, it attracts punks, school teachers, tourists and business people.

"Our goal was to get people who would be uncomfortable sitting next to each other in a subway car sitting together in the theater," Dicker said.

The Variété Chamaleon is at Rosenthaler Strasse 40/41 near the Hackescher Markt S-Bahn station. The group, currently touring Britain, resumes its regular daily program in Berlin on Sept. 1.

Ian Johnson is a free-lance journalist based in Berlin.



Acrobats, singers, poets and belly dancers perform in variety show spoofs.

Bargains by the Bucket

Discounts, With Flexibility, on Air Tickets

By Roger Collis
International Herald Tribune

A BUSINESS-CLASS round-trip ticket from London to New York on American Airlines for £1,200 (\$2,300 or 44 percent off the list price); London to Beijing on Alitalia for £1,025 (64 percent off); London to Johannesburg/Cape Town on South African Airways for £1,100 (57 percent off) and London to Vienna on British Airways for £354 (23 percent off). These are some current bargains available from travel agents in London. Welcome to the world of cut-price air tickets.

We're not talking about promotional or discount fares published by airlines but unofficially discounted tickets for full economy, business and first class, which are sold over so discreetly by so-called flight consolidators, or

The Frequent Traveler

"bucket shops." They are valid for a year and fully flexible, except you can't change to another airline. Not bad when you're saving up to 60 percent on the official fare.

Consolidators are travel agents who are appointed by airlines to sell their surplus seats for less than the published IATA or government-approved tariffs — a kind of under-the-counter discounting. Consolidators buy seats at net prices and resell them either as a wholesaler to other agents or direct to the traveler at a markup — often with fewer restrictions in the case of back-of-the-plane fares.

"We can do first- and business-class tickets for 25 to 30 percent less than the published fare," said Rolf Weber at Stohl-Air-Voyages in Geneva. "And up to 60 percent off full economy." "But we do not advertise this."

Stohl-Air deals exclusively in long-haul travel and sells its special fares only through travel agents in Switzerland and neighboring parts of France, Germany and Italy. Travelers in London sell similar deals direct to the public. You can save 50 percent on long-haul business-class fares.

Bucket shops — or ticket brokers as they like to be called — are unlicensed and unbonded consolidators that do not belong to IATA or a trade association. Back in the bad old days when IATA policed air fares and took travel agents to court for discounting tickets, bucket shops operated in a twilight world from upper floors of city center office buildings. Nowadays IATA agents often procure cut-price tickets from a bucket shop and mark them up for their customers.

Why use a bucket shop if your local travel agent is now in the business of cut-price tickets? Efficient service and deeper discounts, according to Riaz Dooley, whose three Travel Bazaar shops in London have a galaxy of bargains for business class as well as economy, such as a round-trip from London to Singapore with Pakistan International Air-

lines for \$644 instead of £2,896; Austrian Airlines to Moscow/St. Petersburg/Kiev for \$625 instead of £1,164; British Airways to Chicago for £1,720 instead of £2,586; or Brymon Airways (from London City) to Paris for \$37 instead of £316.

Dooley won the sobriquet "king of the bucket shops" from the British media in 1980. He claims a turnover today of £5 million.

"We can give better service because our overhead is not as high as agents like Trailfinders, and we are quick and clever at getting deals; we are closer to the market than anyone else," Dooley says. "When it comes to undercutting of fares you don't need computers, you don't need qualified staff. You need 30 or 40 destinations and an allocation of seats. One reason airlines like to deal with bucket shops is that they don't like to be seen to be cutting the prices. If a ticket is stamped by an IATA agent, you can identify it as cut price; with us the ticket is stamped by the airline so there's no trace of it."

There are no consolidation fares on most European routes in business class, which in most cases is the lowest fully flexible fare. The best you can do is shave a few dollars off the official PEX/APEX fare, and avoid the Saturday night nonsense. But there are consolidation bargains on Asian and North American carriers that fly between many cities in Europe as part of their long-haul service. It is possible, for example, to save 25 percent on the business class fare if you fly Air Canada between London and Nice; Air Lanka to Zurich, or Varig to Copenhagen.

You might say that getting bargains in the front cabin within Europe is the last frontier for the bucket shops. The airlines force the business traveler to pay top dollar for flexibility and some spurious frills. But in a more liberal climate, market forces should force the issue soon. "It's a new market for me," Dooley says. "I will try and open it up and talk to national carriers."

A useful guide is "A-Z Discount Air Fares" published by Atlas Publishing & Media International. The guide lists cut-price fares to hundreds of destinations along with names of cut-price agents around the world.

DO'S AND DON'TS

Read the Fine Print
Do find out about travel restrictions: Can you change flights and dates? Can you switch to another carrier?

Deposits
Don't pay more than \$100 deposit if the deal is being done by mail. And get a receipt in your name.

Credit Cards
Do pay by credit or charge card — it is the best security in case anything goes wrong.

THE ARTS GUIDE



Maori head at the Fondation Cartier in Jouy-en-Josas, France.

AUSTRIA
Vienna
Kunsthau Wien (tel: 712.04.95). To Oct. 18: "Caricature and Satire." Five hundred years of critical drawing.

BRITAIN
London
Barbican (tel: 638.41.41). To Oct. 18: "John Heartfield." A major retrospective of the father of photomontage. To Oct. 13: "The Cutting Edge." Exhibition of works commenting on contemporary world affairs by British satirists, cartoonists, artists and painters.
British Museum (tel: 323.85.25). To Sept. 6: "Mexican Painted Books Before and After the Spanish Conquest." Some of the finest ancient

Mexican painted books and manuscripts.

FRANCE
Jouy-en-Josas
Fondation Cartier (tel: 38.56.48.48). To Oct. 4: "A Visage Découvert." Human faces depicted in art, from the Mayas to Rodin, Giacomotti and Bacon.
Paris
Musée de la Mode et la Costume, Palais Galliera (tel: 47.20.85.23). To Oct. 31: "Van Cleef & Arpels." More than 350 pieces tracing the evolution of the house's style from the 1920s to the present.

IRELAND
Dublin
The Irish Museum of Modern Art (tel: 71.86.66). To Oct. 11: "O'Malley

Collection." The collection of early- and mid-20th century works include paintings by Jack B. Yeats and photographs by Helen O'Malley.

JAPAN
Tokyo
Tokyo Metropolitan Art Museum (tel: 38.23.89.21). To Sept. 23: "Treasures from the Palace Museum, Beijing." Commemorates the 20th anniversary of good diplomatic relations between China and Japan.

SWITZERLAND
Lausanne
Musée de l'Elysée (tel: 617.48.21). To Aug. 30: "Wim Wenders, Photographer." Images from America and Australia, showing the influence of these continents on Wenders's films.

UNITED STATES

New York
Whitney Museum of American Art (tel: 570.38.33). To Oct. 25: "Homecoming: William H. Johnson and Afro-America, 1938-46." Paintings portraying the artist's long-neglected Southern black heritage.

Santa Monica
The J. Paul Getty Museum (tel: 459.76.11). To Oct. 4: "17th-Century Dutch Drawings." Highlights this golden age of Dutch draftsmanship through the works of such masters as Rembrandt van Rijn, Jan van Goyen and Adriaen van Ostade.

Washington
Arthur M. Sackler Gallery (tel: 357.48.80). To Nov. 1: "Ancient Japan." Two hundred and fifty-eight objects that trace the evolution of early Japanese culture.

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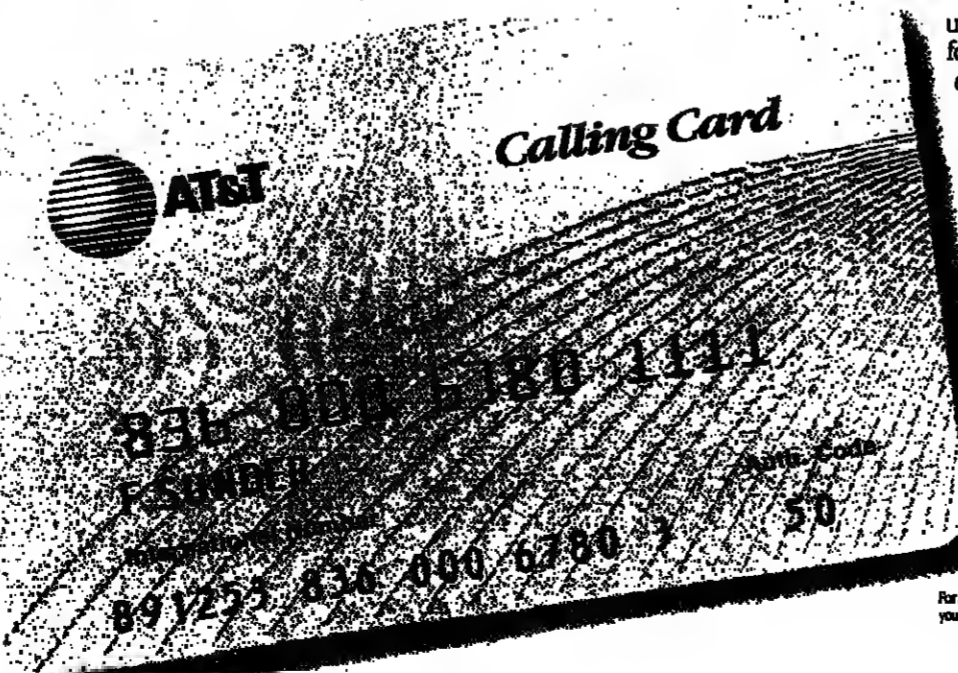
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FINLAND	9800-100-10	IRELAND	1-800-350-000	SWEDEN	020-795-611
FRANCE	190-0011	ISRAEL	177-100-2727	SWITZERLAND	155-00-11
GAMBIA	0011	ITALY	172-1011	TURKEY	909-8001-2277
GERMANY**	0180-0010	NETHERLANDS	090-022-6111	U.K.	0600-85-0011

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NYSE

Thursday's Closing
Tables show the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Table listing market data including volume, price, and change for various securities.

Table with columns for symbol, price, and change. Includes entries for various stocks and bonds.

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(Continued on page 11)

NYSE High-Lows

Table showing high and low prices for various NYSE securities.

AMEX High-Lows

Table showing high and low prices for various AMEX securities.

TRIB INDEX

STREET WATCH
Latest from the
New York Times

CURRENT

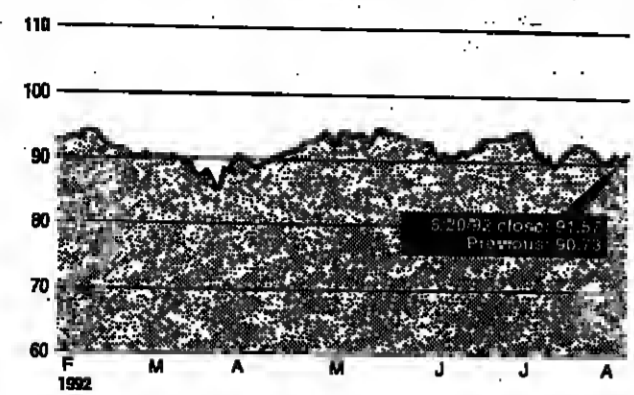
صناديق الاستثمار

BUSINESS

International Herald Tribune
Friday, August 21, 1992
Page 9

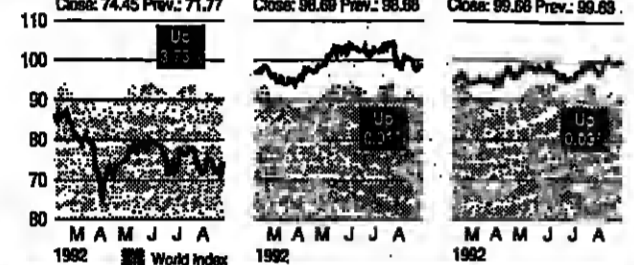


THE TRIB INDEX: 91.57
International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Asia/Pacific	Europe	N. America
Approx. weighting: 25%	Approx. weighting: 40%	Approx. weighting: 35%
Close: 74.45 Prev.: 71.77	Close: 98.68 Prev.: 98.68	Close: 99.68 Prev.: 99.68



Industrial Sectors	The. Close	Prev. Close	% Change
Energy	97.53	97.48	+0.05
Utilities	86.32	85.08	+1.46
Finance	74.85	72.25	+3.32
Services	99.20	98.75	+0.45

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to: Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

WALL STREET WATCH

The Latest From Chicago: Insurance-Claim Futures

By Allen R. Myerson
New York Times Service

CHICAGO has given the world a raft of innovative financial products—futures markets in everything from mortgage securities to indexes of stocks. Now the Chicago Board of Trade is about to introduce its latest innovation: futures contracts in insurance. Executives at the board say the new product has the potential to make health and property insurance more readily available at lower, more stable prices.

Board of Trade executives say that by the end of the year, they hope to begin trading in contracts that will allow insurance companies to limit their losses from hurricanes, earthquakes and riots, and let speculators profit when these events occur.

Should catastrophe strike, insurers that have bought these products are supposed to be better able to pay all the homeowners, car owners, farmers and business owners who file claims. Of course, if speculators predict wrong, they could face losses.

In the case of insurance futures, a company that insures homeowners, for example, might try to offset the risk of large catastrophic losses by buying 200 contracts. Since each contract represents anticipated losses on \$50,000 in insurance premiums, the insurer could be buying unlimited coverage on \$10 million worth of premiums. If each contract cost \$2,500 on the day the insurer entered the market, the cost would amount to \$500,000.

If a hurricane destroyed many homes, the insurer would be flooded with claims. The insurer could let the futures contract expire, and the seller—possibly a speculator—would, in effect, be responsible for paying some of the claims the insurer faced.

Or, the insurance company might sell the 200 contracts before they expired. As the industry faces greater claims for the hurricane, the price of the contracts would have risen on the exchange. The insurer could sell the contracts for a profit, offsetting the claims.

Of course, if no catastrophe had hit, and claims during this period had been relatively small, the price of the contract would have fallen. In that case, the insurer would have lost money on the contracts, and the speculator would have profited.

In allowing insurers to lay off risk, the futures will work somewhat like reinsurance. Christian Milton, a vice president at American International Group, said catastrophe-insurance risk threatens to overwhelm the industry, and the futures market might help there.

CURRENCY & INTEREST RATES

Cross Rates		Eurocurrency Deposits	
Aug. 20	Aug. 20	Aug. 20	Aug. 20
Amersterdam 1.622	1.615	1.000	1.000
Berlin 1.622	1.615	1.000	1.000
London 1.622	1.615	1.000	1.000
Paris 1.622	1.615	1.000	1.000
Switzerland 1.622	1.615	1.000	1.000
Yokohama 1.622	1.615	1.000	1.000

O&Y Enlarges Equity Offer

Compiled by Our Staff From Dispatches
TORONTO — Olympia & York Developments Ltd. said Thursday it had offered up to 80 percent of its equity to creditors as part of a plan to restructure \$7.2 billion of its debt.
A previous restructuring plan outlined in May was rejected by creditors. It included a five-year debt extension and an offer of up to a 20 percent ownership stake.
O&Y said Thursday it wanted project creditors, whose loans are secured by its Canadian office buildings, to accept a five-year extension of debt maturities, while other creditors would be offered up to 49 percent of the company's equity. O&Y would continue to manage its core properties for fees.
At the end of the five years, any remaining unsecured debt would be converted into equity and increase creditors' stake to a maximum 80 percent.
O&Y is the largest commercial real estate company in the world, but it has filed for protection from its creditors in Canada, the United States and Britain because of an inability to service its approximately \$12.6 billion in debt. Its problems are linked to a worldwide slump in real estate prices.
O&Y has been concentrating its efforts on talks with its project lenders, whose assets are secured against the developer's portfolio of Canadian office buildings. These creditors have more leverage in talks with O&Y than other lenders and have threatened to balk at a restructuring plan in the past.

Dollar Near Mark Low

Political Factors Add to Economic Concerns
By Lawrence Malkin
International Herald Tribune
NEW YORK — An extraordinary constellation of political and economic conditions drove the dollar close to its postwar low on Thursday as markets nervously awaited President George Bush's nomination speech to decide whether he still has a chance in the presidential race.
The election factor added to those that have been weighing on the dollar recently — the persistently sluggish U.S. economy and the differences between the more attractive German and lower U.S. interest rates.
On the other side of the balance, working against the Deutsche mark, is fear that Europe's next step toward unity could fall apart if French voters reject the Maastricht treaty in a referendum next month.
Two opinion polls on Wednesday indicated support was waning in France for the European Community's treaty on economic and monetary union, although a majority still plan to vote for the Maastricht accord.
And working in favor of the dollar is the threat of another massive intervention by the world's central banks under the Federal Reserve's direction to steady the dollar in the election season. That has prevented bears from going too heavily against the dollar lest they be caught short if central banks started buying it.
The day began in Europe with money heading for the sidelines as bears dumped dollars and bought Swiss francs, since Switzerland is not a member of the European Community or its monetary arrangements. Swiss franc assets, therefore, are seen as relatively immune to the financial fallout that would accompany a rejection of the Maastricht accord.
The Swiss franc buying helped drive the dollar down in London from Wednesday's closing of 1.4538 DM to 1.4490 DM, only a fraction of a penny from the postwar low of 1.4430 set on Feb. 11, 1991.
The market steadied somewhat when the Bundesbank announced it was not raising rates and dealers noted that the growth of Germany's M-3 money supply had slowed 0.1 percentage point last month, to 8.6 percent. The money-supply figures relieved some of the pressure on Germany's central bank to raise interest rates again and squeeze the German, as well as the European, economy.
Pointing up the stark rate differentials, the U.S. Treasury sold \$14.27 billion of one-year bills at a rate of 3.28 percent, a 29-year low. That discount rate from face value resulted in a yield of 3.41 percent to investors, compared with the approximately 9.875 percent available on one-year German deposits.
In New York, the dollar moved even closer to the postwar low, sliding to 1.4475 DM from 1.4587 on Wednesday.
See DOLLAR, Page 10

Scandinavia Banks to Feel Hafnia Pinch

Compiled by Our Staff From Dispatches
STOCKHOLM — Hafnia Holding A/S's decision to suspend payments will hurt some major participants in the beleaguered Scandinavian financial industry, analysts said Thursday.
Some institutions will have to write off loan losses, while others will have to take substantial write-downs on shareholdings in Hafnia, and a number will have to do both, they said.
The Danish insurer on Wednesday suspended payments and announced the transfer of all assets to a new company in a move to keep its insurance and banking operations running.
Hafnia's major creditors are Den Danske Bank A/S of Denmark, Commerzbank AG of Germany and Skandinaviska Enskilda Banken AB of Sweden, according to the Swedish newspaper Svenska Dagbladet.
Commerzbank's shares dropped 6.7 percent on the Frankfurt exchange on Thursday, to 220.50 DM (\$151), on worries that it would suffer losses from Hafnia's restructuring. A Commerzbank spokesman said the bank did not expect to make a loss on its loans to Hafnia.
Estimates of Commerzbank's exposure range from 800 million to 1 billion Danish kroner (\$143 million to \$178 million).
Swedish press estimates of S-E Banker's exposure ranged from 450 million to 1.4 billion Swedish kroner (\$85 million to \$264 million). The highest estimate, by Dagens Industri, is based on the assumption that S-E Banker lent

Japanese Slide Halted But Other Bourses Fall

Compiled by Our Staff From Dispatches
Government action has reversed the steep slide in Tokyo stocks, but the two-day recovery in Japan was not enough to hearten European markets on Thursday.
With a 617.02-point rise on Thursday, to 15,267.76, the Nikkei 225-stock average brought its advance to 6.7 percent following the Tuesday announcement by Finance Minister Tsutomu Hata of a package of market-priming measures. The measures would discourage companies from selling stocks to realize capital gains, temporarily suspend rules requiring minimum dividends from financial institutions and provide tax relief for companies burdened with bad debts.
It was unclear how much benefit the measures held, but the market's recent slide seems to have been arrested. "At least you know now that the whole system isn't going to fall apart tomorrow," said Alicia Ogawa, an analyst at S.G. Warburg Securities (Japan) in Tokyo.
The rally Thursday was accelerated as investors who had gone short — betting stock prices would fall — closed out their positions by purchasing stocks.
The improvement in Japan did not carry over to European markets, which in recent sessions have fallen in sympathy with Tokyo's woes. While the Asia component of the International Herald Tribune World Stock Index rose 3.73 percent on Thursday, the European gauge rose 0.01 percent. U.S. stocks ended little changed. (Page 10)
In Frankfurt, the problems of the Danish insurer Hafnia Holding A/S pushed down Commerzbank's stock, depressing the entire market. The DAX index fell 11.66 points, or 0.76 percent to 1,513.06, its 1992 low, although trading was light.
Elsewhere, the CAC-40 index on the Paris Bourse fell 10.03 points, to 1,724.18, pressured by inflation fears and an analyst's downgrade of Total, the oil concern, which fell 12.7 francs, to 212.50. London shares were depressed by a falling pound, and the Financial Times 100-share index fell 4.1 points, to 2,359.4. (Reuters, Bloomberg, WF, UPJ)

Speculating on Death: Is It Moral, or Legal?

**By Peter Kerr
New York Times Service**
NEW YORK — It seems like a worthy, simple plan: A company buys the life insurance policies of AIDS patients at reduced value, so the patients can have at least some cash from the policies while they are alive. After they die, the company is paid the full amount due under the policies.
Thus, in 1988, an industry was founded. It has already bought an estimated \$100 million in insurance policies from terminally ill patients, offering them anywhere from 50 percent to 90 percent of a policy's face value, depending on how long the patient is expected to live.
The two dozen new companies, which advertise in magazines across the country, have been praised by advocates for AIDS patients as providing, in many cases, the only means for victims to pay for health care and housing.
But now the practice is raising a host of questions, ranging from issues of privacy to violations of securities laws. In Washington, an association of state securities regu-

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The New York Times

Weyerhaeuser Will Buy Timber Mills From P&G

Compiled by Our Staff From Dispatches
CINCINNATI — Procter & Gamble Co. said Thursday it had agreed to sell part of its pulp and timber business to Weyerhaeuser Co. for \$600 million.
The sale includes pulp mills in Grande Prairie, Alberta, and Oglethorpe, Georgia; sawmills in Grande Prairie and Grande Cache, Alberta, and in Barnesville, Georgia, and 175,000 acres (70,000 hectares) of Georgia timberland.
Edwin L. Artzt, P&G's chairman and chief executive, said Weyerhaeuser would supply P&G with pulp from the mills sold in the deal.
After announcement, Standard & Poor's Downgraded Weyerhaeuser's senior debt to A from A+, and Moody's Investor Service lowered its rating to A2 from A1. S&P said that Weyerhaeuser's debt usage already was at its highest level in 12 years, although the additional debt would not be overly burdensome.
P&G announced in March that it would sell its pulp and timber units to focus on core consumer-products businesses.
P&G said Thursday it was reviewing proposals from potential buyers for the rest of its pulp and timber business. (Bloomberg, AFX)

MARKET DIARY

Stocks Edge Lower On Bush Worries

Compiled by Our Staff From Dispatches NEW YORK — Blue-chip stock prices edged lower on Thursday as investor doubts grew that George Bush, his favored candidate for president, could revive his campaign.

On Wall Street, the Dow Jones industrial average slipped 2.17 points, to 3,304.89. Falling issues on the New York Stock Exchange numbered gainers by about a 9-7 ratio as volume rose to 183.39 million shares from the 152.75 million traded on Wednesday.

The Nasdaq over-the-counter index edged up 0.25, to 567.86, and Standard & Poor's 500-stock gauge was up 0.07 at 418.26. Analysts said investors were concerned that a victory by the Democratic Party in the November presidential election would lead to higher taxes and to policies that were tough on corporations.

"If Bush doesn't start making headway in the polls soon, stocks are in trouble," said Thomas Callahan, senior vice president of U.S. equities at Yamaichi International (America).

If Governor Bill Clinton of Arkansas prevails in the election, he is expected to try to raise taxes. "Higher tax rates would cause a sell-off in the stock market," said John Silva, chief economist at Kemper Financial Services.

Mr. Clinton is also known to be considering increased control over the pharmaceuticals industry, while his running mate, Senator Al Gore of Tennessee is expected to seek pollution-control restraints. Mr. Silva said Mr. Gore's interests in ecological matters could hurt energy, automobile and chemical companies.

One bright note for the stock market was a recovery in bank stocks on Thursday, following concerns that President Fernando Collor de Mello of Brazil would be impeached.

Chicago was the most-active New York Stock Exchange issue, up 1/4 at 174. It benefited from a ratings upgrade by Merrill Lynch. Bristol-Myers Squibb followed, tumbling 2 1/2 to 66 1/2 after Smith Barney downgraded its rating on the drug company and lowered its earnings estimates.

Wells Fargo rose 1/4 to 69 1/4. A group controlled by the philanthropist Walter Annenberg said it held a 5.3 percent stake in the bank for investment purposes. (UPI, Bloomberg, AP, Reuters)

DOLLAR: Approaching a Low

(Continued from first finance page) Wednesday. It also fell against the Swiss franc, dropping to 1.2877 francs from 1.3075.

The dollar was steady against the yen, partly thanks to the continuing selling of yen for marks. The dollar ended at 126.48 yen, little changed from 126.35 yen in New York on Wednesday.

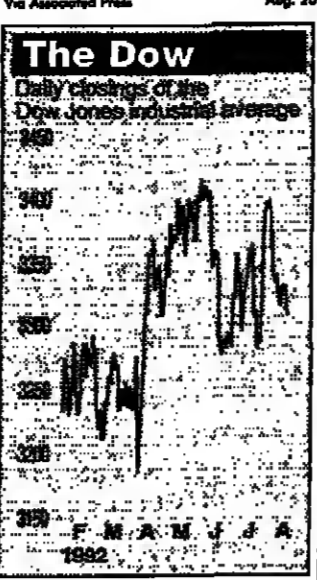
Against the French franc, the dollar fell to 4.9155 francs from 4.9490 francs. The pound rose to \$1.9395 from \$1.9340.

Another cause of nervousness was a rumor that the Group of Seven finance ministers was planning an extraordinary session, with the obvious aim of raising the dollar. Officials in Bonn, along with those accompanying Treasury Secretary Nicholas F. Brady to the Republic convention in Houston, said they were unaware of any such plans.

Whatever the case, the U.S. currency has now entered into a zone of political uncertainty about the policies of Democratic challenger, Bill Clinton, and suspicion largely centered on Mr. Bush's reelection prospects. "The currency markets," warned David D. Hale of Kemper Securities, "are apprehensive about Clinton because he is untested on many economic policy questions and has advocated some ideas which might actually damage foreign investment in the United States."

But Mr. Bush is also an unsettling factor in the market because no one quite knows what his second-term policy would be. "The market is looking for him to come out of hiding in his acceptance speech and make himself a real player in the election," said John Vincent, a vice president in Chemical Bank's foreign exchange department.

Mr. Vincent warned that if that does not happen, the market will continue in turbulence, not because of any special fear of Mr. Clinton but because of the uncertainty that comes from two presidential candidates still defining themselves and possibly leaving the nation adrift until they do.



NYSE Most Active

Table listing NYSE Most Active stocks with columns for Volume, High, Low, Close, and Change. Includes stocks like Citicorp, IBM, and General Electric.

Table listing AMEX Most Active stocks with columns for Volume, High, Low, Close, and Change. Includes stocks like US Steel, Ford, and General Motors.

Table listing NYSE Daily with columns for Advance, Decline, Unchanged, Total Issues, and Total Issues.

Table listing AMEX Daily with columns for Advance, Decline, Unchanged, Total Issues, and Total Issues.

Table listing NASDAQ Daily with columns for Advance, Decline, Unchanged, Total Issues, and Total Issues.

Table titled 'Dow Jones Averages' showing Open, High, Low, Last, and Change for various indices like Industrials, Utilities, and Chemicals.

Table titled 'Standard & Poor's Indexes' showing High, Low, Close, and Change for various sectors like Industrials, Utilities, and Chemicals.

Table titled 'NYSE Indexes' showing High, Low, Close, and Change for various sectors like Chemicals, Industrials, and Utilities.

Table titled 'NASDAQ Indexes' showing High, Low, Close, and Change for various sectors like Chemicals, Industrials, and Utilities.

Table titled 'AMEX Stock Index' showing High, Low, Close, and Change for various sectors like Chemicals, Industrials, and Utilities.

Table titled 'Dow Jones Bond Averages' showing Class, Close, and Change for various bond categories like 30 Bonds, 10 Industrials, and 10 Consumer.

Table titled 'Market Sales' showing NYSE 4 a.m. volume, NYSE first class, AMEX 4 a.m. volume, and NASDAQ 4 a.m. volume.

Table titled 'NYSE Most Active' showing Volume, High, Low, Last, and Change for various stocks.

Table titled 'NYSE Daily' showing Advance, Decline, Unchanged, Total Issues, and Total Issues.

Table titled 'AMEX Daily' showing Advance, Decline, Unchanged, Total Issues, and Total Issues.

Table titled 'NASDAQ Daily' showing Advance, Decline, Unchanged, Total Issues, and Total Issues.

Table titled 'EUROPEAN FUTURES' showing Class, High, Low, Prev. Close, and Change for various futures contracts like Food, Metals, and Stock Indexes.

Table titled 'Food' showing various food futures contracts like Sugar, Cocoa, and Coffee.

Table titled 'Metals' showing various metal futures contracts like Aluminum, Copper, and Zinc.

Table titled 'Stock Indexes' showing various stock index futures contracts like S&P 500, Nikkei, and Hang Seng.

Table titled 'Financial' showing various financial futures contracts like 3-Month Eurodollars and 6-Month Eurodollars.

Table titled 'S&P 100 Index Options' showing various S&P 100 index options contracts.

Table titled 'U.S. FUTURES' showing various U.S. futures contracts like Wheat, Soybeans, and Corn.

Table titled 'Grains' showing various grain futures contracts like Wheat, Soybeans, and Corn.

Table titled 'Metals' showing various metal futures contracts like Gold, Silver, and Platinum.

Table titled 'Livestock' showing various livestock futures contracts like Cattle and Hogs.

Table titled 'Financial' showing various financial futures contracts like Treasury Bills and Treasury Notes.

Table titled 'Food' showing various food futures contracts like Soybeans and Corn.

Table titled 'Stock Indexes' showing various stock index futures contracts like S&P 500 and Nikkei.

Table titled 'Commodity Indexes' showing various commodity futures contracts like Oil and Natural Gas.

Time Warner Settles Viacom Suit

NEW YORK (Reuters) — Viacom International Inc. and Time Warner Inc. said Thursday they had settled all disputes arising from an antitrust lawsuit filed in 1989 by Viacom and its Showtime Networks Inc. unit against Time Inc. Home Box Office Inc., American Television and Communications Corp. and Manhattan Cable Television.

They agreed on wider distribution of Showtime and the Movie Channel on Time Warner's cable systems; the purchase of Viacom's Milwaukee cable system by Time Warner; a cash payment to Viacom; a pact for joint marketing campaigns by Showtime and HBO; a rise in advertising purchases by Time Warner companies on Viacom's MTV Networks over the next five years; and a license between MTV Networks and the Warner Music Group for showing music videos on MTV and VH1, among others.

William Taylor, FDIC Chief, Dies

WASHINGTON (AP) — William J. Taylor, 53, chairman of the Federal Deposit Insurance Corp., died Thursday following colon surgery last week, his office said.

Vice Chairman Andrew C. Howe will serve as acting chairman until a replacement is selected. The agency provides banks with insurance protection to cover deposits.

Chicago Lawyer Is Named to SEC

CHICAGO (AP) — President George Bush has nominated a Chicago securities lawyer, James M. Reum, to a seat on the Securities and Exchange Commission. The nomination is subject to confirmation by the Senate.

Talks With Pilots on TWA Deal Stall

NEW YORK (AP) — Talks have broken down between Trans World Airlines Inc. and its pilots over a buyout intended to allow the carrier to emerge from bankruptcy court as a viable airline.

The pilots have been a key holdout, along with the federal agency that guarantees pensions, to a deal that would turn control of the carrier over to creditors and unions and oust its chairman, Carl C. Icahn.

GM Layoffs Push Up Jobless Claims

NEW YORK (IHT) — New claims for unemployment insurance, reported Thursday by the U.S. government, continued to reflect a stagnant economy despite distortions caused by summer vacation layoffs at General Motors Corp.

During the week ending Aug. 8, the Labor Department said, new claims increased by 71,000 to 474,000, but excluding the 74,221 claims filed in GM's home state of Michigan, the national level showed little change.

Ex-Merrill Lynch Analyst Is Indicted

NEW YORK (AP) — A former junk-bond analyst at Merrill Lynch and Co. and his college friend were indicted Thursday in an alleged insider trading scheme that netted more than \$1 million. Edward L. Scheer, of Houston, and Ellis J. Sretzitz, a furniture company executive from Virginia, were charged with conspiracy, wire fraud and bribery.

From October 1990 to September 1991, Mr. Scheer and Richard Kussman, another former Merrill Lynch analyst, who was not indicted, allegedly directed profitable trades to accounts controlled by Mr. Sretzitz. The three then split the profits, the indictment says.

For the Record

PacTel Corp., a unit of Pacific Telesis Group, said the Spanish government had awarded a national paging license to a group in which a PacTel subsidiary has a 17.5 percent indirect interest. (Bloomberg)

Ketchum Communications said Thursday it had discussed the possibility of a merger or acquisition with Ayer Inc. in an effort to expand its advertising business in New York. (AP)

Navistar International Corp. of Chicago, the leading U.S. maker of heavy trucks, posted a third-quarter loss of \$115 million. (AP)

WORLD STOCK MARKETS

Table of World Stock Markets showing various international indices like Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Montreal, Paris, Sao Paulo, Singapore, Stockholm, Toronto, Tokyo, Zurich, and Johannesburg.

Sale Talk Boosts Banca Commerciale

MILAN — Shares in Banca Commerciale Italiana SpA jumped 5.8 percent on Thursday after a report that some leading industrialists were studying a plan to buy the state's 57 percent stake in the bank.

But Mediobanca SpA, the merchant bank reported to be putting the deal together, denied that it was involved in such a project, government regulators said.

In a country where confrontations between the state and the private sector are often bitter, such a proposal involving a large state bank would be revolutionary, analysts said.

"It would be colossal," said Massimo Verdini, an analyst at Pastorino & Partners. "BCI in private hands would open a whole new page in Italian industrial history."

The Il Sole/24 Ore financial daily reported that Mediobanca, a merchant bank that brokers Italy's large industrial deals, was putting a plan.

The stock market regulator Consob, concerned by the sharp movement in BCI shares, said Mediobanca had told Consob that it was not involved. Mediobanca, whose main shareholders include Fiat SpA, Pirelli SpA and Olivetti SpA, was unavailable for comment.

U.S. FUTURES

Table of U.S. Futures showing various contracts like Grains, Metals, Livestock, and Financial.

Advertisement for NYSE (New York Stock Exchange) featuring the text 'The NYSE' and 'The center of financial activity'.

Advertisement for 'The center of financial activity' featuring a large graphic and text.

EUROPE

Ericsson Profit Beats Expectations

STOCKHOLM — L.M. Ericsson AB reported Thursday a 39 million kronor (\$11.1 million) pretax profit for the first half of 1992, a large drop from the previous year but above expectations.

analyst, Gunnar Andersson at Svenska Handelsbanken, attributed the second-quarter turnaround to cost reductions, including job cuts.

In the latest half, orders increased 24.2 percent, to 26.77 billion kronor. But Lars Ramqvist, the president, said Ericsson has yet to see a direct recovery in business conditions.

"Accordingly, prior projections regarding continued low income for the full year remain unchanged," Ericsson said. Its pretax profit was 1.6 billion kronor last year.

(Reuters, Bloomberg)

£1 Billion of U.K. Debt for Sale

LONDON — The British government said Thursday it would seek to raise about £1 billion (\$1.93 billion) through the sale of debt that it holds in recently privatized companies.

The Treasury said it had written to British Telecommunications PLC and a number of other privatized companies outlining proposals for a sale of the loans it made to them when they were owned wholly by the state.

The debt would be sold by auction to the highest bidder but would also be available for repurchase by the company concerned, a spokesman added.

The Treasury holds £3.74 billion of debt in privatized companies in a variety of forms with many loans carrying high interest payments.

Overall, the government, which is expecting to run a budget deficit of around £28 billion this year, has budgeted income of £19 billion from its privatization program during the next three years.

That income, much needed with public funds stretched by the recession, would come from debt and equity sales and from the expected privatizations of British Coal Corp. and British Rail.

If £19 billion is raised, it would bring the total funds raised by privatization to more than £50 billion since Margaret Thatcher, the prime minister, began selling state industries in 1979.

The merchant bank Baring Brothers has been appointed to advise the government on the best way of selling the loans.

Analysts pointed out that BT has been reducing its debt burden in recent years and might look upon the government's debt sale program as a lower-cost method of cutting debt. But they noted that BT might encounter some stiff competition for its own debt from third party bidders.

The Treasury said bidding would take place toward the end of September.

(AFP, APX)

Investor's Europe

Table with columns for Frankfurt DAX, London FTSE 100 Index, Paris CAC 40, and various stock indices with their respective values and changes.

Very briefly:

- Banco Bilbao Vizcaya SA of Spain and Groupe AXA of France said they would form a joint venture holding company comprising two units that together would be the fifth largest insurance company in Spain.
• International Service System A/S said it acquired a 63.1 percent stake in the Finnish cleaning company Servi Systems Oy from Karl Fazer Oy.
• Schneider SA said first-half consolidated sales totaled 30.63 billion French francs (\$6.19 billion), up 13.4 percent from a year earlier in a rise that mainly reflected the acquisition of Square D Co.
• Pechiney International said that consolidated sales fell 2.6 percent to 18.3 billion French francs in the first half of this year from a year ago.
• Restold Group PLC, an environmental services group, reported pretax profit of £51.14 million (\$98.9 million) for the first half, up 21 percent from a year ago.
• Royal Bank of Scotland Group PLC said it doubled its dollar-denominated preferred share issue to \$400 million due to investor demand.
• Germany's new car registrations fell 1.3 percent in July from June while registrations in the first seven months of 1992 dropped 14.2 percent from a year earlier.

Bloomberg, APX, Reuters

Chemicals Aid VIAG Net

BONN — VIAG AG, a diversified industrial group, on Thursday posted a 2.1 percent rise in first-half profit, helped by higher earnings in its chemicals business. Group net profit rose to 193 million Deutsche marks (\$133 million) from 189 million a year earlier.

Revenue rose 3.6 percent, to 12.08 billion DM, helped by the consolidation of new subsidiaries.

The better-than-expected results pushed VIAG shares up 3.20 DM on the Frankfurt Stock Exchange, to 341.70 DM. The shares had dropped 9.30 DM on Wednesday on expectations of weak results.

VIAG said it expected profit for all of 1992 to surpass the 405 million DM profit posted for 1991 "if foreign business rebounds and the domestic economy does not weaken further in the second half."

Willis Corroon Sags 22% in Period

LONDON — The insurance broker Willis Corroon PLC said Thursday that pretax profit slumped 22 percent in the first half of 1992 and that profit for the year as a whole would not match that of last year.

The company reported that it earned £54.1 million (\$104.63 million) in the first half, down from £69.4 million a year earlier.

Willis said it had suffered from adverse currency rates, and poor conditions in the U.S. insurance market and lower net interest income due to lower rates.

Sales edged up 2.2 percent to £319.6 million; brokerage and fee income rose 5 percent to £30 million.

(Bloomberg, Reuters)

REALITY: Total Immersion, by Computer, in New Stock Market World

(Continued from page 1)

questions are going to be what are you going to do with it, not how are we going to do it," said Kevin Teixeira, virtual reality project manager at Intel Corp., a computer chip manufacturer in Santa Clara, California.

Not everyone is so optimistic: Noting that some pioneer companies in the field are already founding while waiting for the industry to develop, some observers caution that many leading-edge

technologies like VR evolve into businesses far more slowly than their proponents envision. And the VR systems already in place are still no substitute for real life—the limited graphics and animation capabilities of today's computers leave most VR systems looking rather crude.

Still, the consensus is that steady improvements in computing power and graphics capabilities and steadily declining costs have put

virtual reality on the verge of something big.

The price tag on a sophisticated VR system has dropped from \$200,000 a couple of years ago to about \$20,000 now.

And customized desktop computers based on Intel's ubiquitous 486 chip are beginning to show up as engines of virtual reality systems.

VR arcade games already are beginning to appear, and some ex-

perts predict that the hottest toy for Christmas 1993 may be a virtual reality version of Nintendo that puts kids inside their video games.

Many liken the state of VR to the personal computer business in the late 1970s.

"It's exactly where PCs were about 15 years ago, and I think it's got the potential to be way bigger than PCs," said Ben Delancy, publisher of CyberEdge Journal, a newsletter that covers the virtual reality field.

NYSE

Thursday's Closing Tables include the nationwide price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Table with columns for Stock, Div, Yld, PE, High, Low, and various stock listings.

Table with columns for Stock, Div, Yld, PE, High, Low, and various stock listings.

Advertisement for International Fund Investment magazine featuring the headline 'Good Times, Bad Times' and 'How Analyst Media Stars Win Either Way'.

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Advertisement for 'Doing Business in Today's Western Europe' book by Alan Tillier, highlighting it as a must-reading for the world's largest single market.

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NASDAQ

Thursday's Prices NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Table with columns: 12 Month, High, Low, Close, Net Chg, Div Yld, PE, High, Low, Close, Net Chg, Div Yld, PE. Lists various stocks such as AAPL, IBM, and Microsoft.

Table with columns: 12 Month, High, Low, Close, Net Chg, Div Yld, PE. Lists various stocks such as GE, Ford, and Boeing.

Table with columns: 12 Month, High, Low, Close, Net Chg, Div Yld, PE. Lists various stocks such as AT&T, General Electric, and IBM.

Table with columns: 12 Month, High, Low, Close, Net Chg, Div Yld, PE. Lists various stocks such as Johnson & Johnson, Merck, and Pfizer.

Table with columns: 12 Month, High, Low, Close, Net Chg, Div Yld, PE. Lists various stocks such as Amgen, Bristol-Myers Squibb, and Eli Lilly.

Table with columns: 12 Month, High, Low, Close, Net Chg, Div Yld, PE. Lists various stocks such as Abbott Laboratories, Amgen, and Biogen.

Table with columns: 12 Month, High, Low, Close, Net Chg, Div Yld, PE. Lists various stocks such as Biogen, Abbott Laboratories, and Amgen.

Table with columns: 12 Month, High, Low, Close, Net Chg, Div Yld, PE. Lists various stocks such as Amgen, Abbott Laboratories, and Biogen.

AMEX

Thursday's Closing Tables include the nationwide price up to the closing on Wall Street and do not reflect late trading elsewhere. Via The Associated Press

Table with columns: 12 Month, High, Low, Close, Net Chg, Div Yld, PE. Lists various stocks such as IBM, Microsoft, and Intel.

Table with columns: 12 Month, High, Low, Close, Net Chg, Div Yld, PE. Lists various stocks such as General Electric, Ford, and Boeing.

Table with columns: 12 Month, High, Low, Close, Net Chg, Div Yld, PE. Lists various stocks such as AT&T, General Electric, and IBM.

Table with columns: 12 Month, High, Low, Close, Net Chg, Div Yld, PE. Lists various stocks such as Johnson & Johnson, Merck, and Pfizer.

Large table with columns: 12 Month, High, Low, Close, Net Chg, Div Yld, PE. Lists a wide variety of stocks including pharmaceuticals, technology, and consumer goods.

Notes and legends explaining symbols and abbreviations used in the tables, such as 'Net Chg' for net change and 'Div Yld' for dividend yield.

Handwritten Arabic text at the bottom center of the page.

BHP Bid Pressures Brewers

AGENCE FRANCE PRESSE
SYDNEY — Broken Hill Pty's 1.5 billion Australian dollar (\$1.09 billion) offer for a 32.2 percent stake in Foster's Brewing Group Ltd. seems to have put the international beer giant right where BHP wants it: up for grabs by the highest bidder, analysts said Thursday.

BHP's offer was to buy 720.31 million shares for the cash plus scribbles of a subsidiary of International Brewing Holdings Ltd. Receivers for the company valued the bid at 2.39 dollars a share, 32.8 percent above the 1.80 dollar closing price on Thursday, when the shares rose 7 cents. BHP, which is owed 1 billion dollars by IBH, also offered 60 million dollars for options to buy 599 million shares at 2.19 dollars.

If BHP, the largest listed company in Australia, were to acquire all the shares involved, it would have about 43 percent of Foster's. Interested parties have up to mid-October to make competing bids.

Analysts said other international companies that might be interested are Anheuser-Busch Cos.; Asahi Brewing Ltd. of Japan, which owns nearly 20 percent of Foster's; Guinness PLC and Bass PLC; and Heineken NV, S.A. Brewing Holdings Ltd., a small Australian brewer, suggested a merger in the spring.

BHP, a mining and industrial conglomerate, said it did not plan to add brewing to its operations but would hold the Foster's stake until its full value was realized before selling.

Analysts said Foster's was one of the few truly international brewers, holding a major share of the Australian, Canadian and British beer markets.

Support for Japan Property?

Compiled by Our Staff From Dispatches
TOKYO — Japan's major commercial banks will set up a joint company to buy up to 3 trillion yen (\$24 billion) worth of real estate held as collateral for bad loans, the Kyodo news agency said Thursday.

The Bank of Japan is expected to provide funds for the company's purchases of real estate through the participating banks, Kyodo quoted government officials as saying.

The officials said the joint land-purchase company would be capitalized at about 10 trillion yen and would be owned by major commercial and long-term credit banks.

The company is expected to buy properties from banks and nonbank financial institutions at about half the government's officially posted prices for the properties, the officials said. It also will consider buying nonbank credits backed by real estate properties at about 60 percent of face value, the officials said. The value of real estate properties held as collateral for bad loans is estimated at about 5 trillion yen, Kyodo said.

The officials said the creation of a land-purchase company would be the centerpiece of an economic stimulation package to be worked out by the government at the end of August.

Finance Minister Tsutomu Hata, in announcing measures on Tuesday to rescue troubled financial institutions, suggested cooperation in liquidating real estate held by the institutions as collateral for nonperforming loans.

On Wednesday, Yasushi Mieno, the Bank of Japan governor, said he would support the idea of such a joint company but made no firm commitment on financial assistance for the plan.

Separately, a government agency said Japan's overall household spending dropped 3.2 percent in June from a year earlier, the sharpest decline in 19 months. Household spending averaged 313,874 yen in June, the Management and Coordination Agency said.

(AFP, Bloomberg)

Nepotism Alleged in Seoul Contract

AGENCE FRANCE PRESSE
SEOUL — President Roh Tae Woo's government awarded a multibillion-dollar project Thursday to a consortium led by a business group headed by an in-law of Mr. Roh's.

The Communications Ministry selected Taehan Telecom, led by Sunkyong Group, as licensee for the country's second mobile telephone system, which is expected to generate sales worth \$3 billion a year by the turn of the century. The new system will compete with the present state monopoly, Korea Mobile Telecommunications Corp.

Mr. Roh's daughter is married to one of the sons of Sunkyong's founder, Choi Jong Hyon. The son is known to have been leading Sunkyong's efforts to win the project.

The government's move to select the licensee before the end of Mr. Roh's term in February touched off strong criticism, both from the opposition and from within the ruling camp, over suspected nepotism.

The ruling Democratic Liberal Party's presidential candidate, Kim Young Sam, reportedly urged Mr. Roh to put off the selection until after the new government took office to head off further controversy before the December presidential election.

The opposition immediately cried foul, with Kim Dae Jung, presidential candidate of the Democratic Party, calling for the cancellation of the selection.

Communication Minister Song Eun Jong said at a press conference that Taehan Telecom had won the highest marks in the final screening, beating two other consortia, led by South Korea's Kolon Industries business group and the state-run Pohang Iron & Steel Co. Taehan Telecom includes Sun-

young's Ynkong Ltd., 12 other local companies and three foreign concerns, GTE Corp. of the United States, Britain's Vodafone Ltd. and Hong Kong's Hutchison Telecom Ltd.

In an apparent move to avoid further controversy over the selection, Mr. Song revealed the standards used in the process, stressing that a fair choice had been made.

Initial paid-in capital of Taehan Telecom will be around \$238 million, which will be doubled by 1993, an official of the consortium said.

Funds Growing Wary Of Hong Kong Boom

By Seth Faison
New York Times Service

China's stock markets are calm again after last week's rioting and wild price swings. That is good news for investors in mutual funds who have sunk money in Hong Kong, where a much larger stock market is both jittery about news from Beijing and eager to ride the wild economic growth that is infecting southern China.

But the rioting in Shenzhen, Hong Kong's neighbor, provoked by an avalanche of demand for applications for new shares, seems to have lanced the growing bubble of enthusiasm among international fund managers for the recent boom in Hong Kong. "China is still very unpredictable," said Elizabeth Tran, a managing director at Prudential Asia in Hong Kong. "The Hong Kong market is vulnerable to changes in sentiment simply because it has gone up so much already this year."

Hong Kong's benchmark Hang Seng index dropped 138.83 points Thursday, or 2.47 percent, to end at 5,481.61. The index has fallen about 11 percent since it peaked July 16 at 6,162.53, which marked a 43 percent gain since the beginning of the year, a period when many markets have faltered.

Many analysts expect long-term growth in Hong Kong's market to be inevitable, but many are now freshly conscious of its short-term limitations. A glut of new issues and the effects of Japan's unfolding stock market plunge are now mixed with concerns about overvaluations caused by this year's gains.

Ms. Tran said she found it "terrifying" that so many international funds had poured into Hong Kong, because that added to the market's volatility and seemed to be based on naive assumptions about China. "If things turn the other way, we could see a sudden outflow of cash toward Japan," she said.

Earlier this year, Hong Kong was looking bright indeed. The colony accounts for 60 percent of outside investment in China, and the argument went, with China's industrial output up a stunning 19 percent over the first seven months of this year, economic growth was a rising tide lifting nearly all of Hong Kong's financial boats.

With Japan's market headed down, Hong Kong's go-go attitude about China looked almost irresistible. Then came the riots. "This is a bump in the road," said Dana Martin, who manages Fidelity's Pacific Basin Fund. He is not shifting the 22 percent of his fund that is invested in Hong Kong stocks, and he said the unrest had not changed his fundamental optimism.

Investor's Asia

Table with columns: Exchange, Index, Thursday Close, Prev. Close, % Change. Rows include Hong Kong Hang Seng, Singapore Straits Times, Tokyo Nikkei 225, etc.

Sources: Reuters, AFP

Very briefly:

- Petroleum Authority of Thailand is to sell 15.4 percent of its wholly owned PTT Exploration & Production subsidiary to the public; at the recommended price of between 23 and 27 baht a share, the 40 million share issue would raise about 1 billion baht (\$39.5 million).

Reuters, Bloomberg, AFP, AFX, UPI

COMPANY RESULTS

Table with columns: Country, Company Name, Revenue, Profit, Per Share. Rows include Royal Insurance, Sony, Spain, Germany, Netherlands, United States, etc.

INTERNATIONAL FUNDS

Large table listing various international funds with columns for fund name, currency, and other details. Includes sections for US Dollar, Euro, and other regional funds.

For information on how to list your fund, fax Simon OSBORN on (33-1) 46 37 21 33.

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SPORTS ATHLETICS

Revenge, and Gold, For Moses Kiptanui

Agence France-Press
ZURICH—To hear Moses Kiptanui tell it, setting his second world record over 3,000 meters in four days was not only sweet revenge, it was a piece of cake.
"it was easy," the 20-year-old Kenyan said after smashing the record for the 3,000-meter steeplechase Wednesday night. "I ran the last lap easy."



Moses Kiptanui running toward his second world record this week.

Subcontinent Fed Up Being Subpar NFL Turns To Radio For Scores

The Associated Press
NEW DELHI—With more than a billion people in South Asia, you'd think somebody could win an Olympic gold medal. Even a silver.
From all of the Indian subcontinent, home to one-fifth of the earth's population, only Pakistan's field hockey team came home from Barcelona with a bronze.
In a region where hunger is still a problem, leisure sports take low priority. There is no popular sports culture, not much sports history and few heroes.
Still, the dismal performance in Barcelona aroused national shame, inflamed public anger and aroused ferocious debates in parliaments and newspapers.
Even before the athletes got back, India's sports minister suggested in Parliament a four-year moratorium on international competition to build a sports program that won't be a national embarrassment.
But some commentators blame the politicians controlling the sports world, whom one newspaper described as "whiskey-swilling and philandering."

U.S. Aims to Serve Up A New 'Dream Team'

NEW HAVEN, Connecticut — After naming Pete Sampras to complete the U.S. Davis Cup team, captain Tom Gorman said his lineup made for a "Dream Team" akin to the U.S. basketball squad that swept to an Olympic gold medal in Barcelona.
Sampras will join John McEnroe, Jim Courier, the French and Australian Open champion, and Andre Agassi, the Wimbledon winner. The team will play Sweden next month in the semifinals.
"In the world of tennis this is as close as we could get to a Dream Team," Gorman said by telephone from his Idaho vacation home. "We won't be beating people by 40 points, but this is a fantastic group of guys."

SIDELINES

Senna Said to Seek Williams Move
MILAN, Italy (Combined Dispatches) — Ayrton Senna has rejected bids to drive with Ferrari in 1993 and was quoted as saying he may stop racing for one year if he can't join the winning Williams-Renault team.
According to interviews in Italian newspapers Thursday by Ferrari manager Nikk Lauda, Senna told Lauda he wants to join the Williams team or go on temporary retirement. Senna told the drivers title this to Nigel Mansell of the Williams-Renault team. He talked with Lauda at the Monza autodrome, where teams are preparing for the Italian Grand Prix.
Mansell, meanwhile, told the French newspaper L'Equipe that he has sought guarantees from Williams about his standing if Alain Prost, the former three-time champion, joins the team.
(AP, AFP)

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SCOREBOARD

BASEBALL, Major League Standings, National League, American League, Wednesday's Line Scores

CRICKET

THIRD ONE-DAY INTERNATIONAL, England vs Pakistan, England won by 138 runs

TRANSACTIONS

BASEBALL, SEATTLE—Called out Bert Blyskal, infielder from Culinary, Pacific Coast League. JEFF SCHAEFER, infielder, to Colorado. Call the Director of Transactions, Mr. Tom...

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OBSERVER

The Way They Were

By Russell Baker
NEW YORK — Convention memoirs: 1956-1992.
The nastiest convention: Chicago, 1968. Democrats naturally. If you'd seen my combat it was probably some of the nastiest I've seen.

Mortier's Debut: Shaking Up Salzburg

By John Rockwell
New York Times Service

SALZBURG, Austria — Gerard Mortier's mandate in this, his first summer as artistic director of the Salzburg Festival, was to sweep out the remains of the Herbert von Karajan regime and replace lifeless rituals — as he likes to describe them — with vibrant new art.



Gerard Mortier

Sellers' theatrical iconoclasm is similarly removed from this festival's previous safe and sane conservatism. If Mortier wanted attention, he got it. The event attracted about 280 critics. The occasion served as a forum for and against him, with lefty cheering and boozing at the end.



José van Dam in the title role of Olivier Messiaen's 'St. Francis d'Assise,' with Dawn Upshaw as the Angel.

Its eight 'Franciscan Scenes,' four hours of music stretching here to more than six hours with two long intermissions, are actually more ritualized oratorio than opera in any conventional sense.

The British editor Alexander Chancellor is joining The New Yorker as the editor of the magazine's 'Talk of the Town' section which was the showcase for writers like James Thurber and John Updike.

PEOPLE

Walters to Get Divorce And Sting Gets Married

Among the comings and goings on the marriage scene: Barbara Walters has filed for divorce, and Sting has married his longtime girlfriend, Walters, the co-host of the ABC news program '20/20,' and Mervyn Dymally, the former chairman of Los Angeles Telepictures, were married in 1986, but the marriage was annulled and the couple separated two years ago.

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